UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For Quarter Ended May 31, 1999

Commission file number 1-9532

AUDIOVOX CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	13-1964841
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
150 Marcus Blvd., Hauppauge, New York	11788
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (516) 231-7750

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Number of shares of each class of the registrant's Common Stock outstanding as of the latest practicable date.

Class	Outstanding at July 9, 1999
Class A Common Stock	17,357,178 Shares
Class B Common Stock	2,260,954 Shares

AUDIOVOX CORPORATION

I N D E X

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(In thousands, except share data)

	May 31, 1999 (unaudited)	November 30, 1998
Assets		
Current assets:		
Cash and cash equivalents	$ 12,059	$ 9,398
Accounts receivable, net	145,223	131,120
Inventory, net	74,621	72,432
Receivable from vendor	7,769	734
Prepaid expenses and other current assets	5,799	6,724
Deferred income taxes, net	6,181	6,088
Total current assets	251,652	226,496
Investment securities	23,562	17,089
Equity investments	11,011	10,387
Property, plant and equipment, net	19,301	17,828
Excess cost over fair value of assets acquired and other intangible assets, net	5,904	6,052
Other assets	758	1,827
	$ 312,188	$ 279,679
Liabilities and Stockholders' Equity Current liabilities:		
Accounts payable	$ 43,569	$ 34,063
Accrued expenses and other current liabilities	19,575	15,359
Income taxes payable	7,643	5,210
Bank obligations	8,034	7,327
Documentary acceptances	2,967	3,911
Capital lease obligation	17	17
Total current liabilities	81,805	65,887
Bank obligations	19,730	17,500
Deferred income taxes, net	6,483	3,595
Long-term debt	6,409	6,331
Capital lease obligation	6,266	6,298
Total liabilities	120,693	99,611
Minority interest	3,181	2,348
Stockholders' equity:		
Preferred stock, liquidation preference of $2,500	2,500	2,500
Common stock:		
Class A; 30,000,000 authorized; 17,297,878 issued	173	173
Class B convertible; 10,000,000 authorized; 2,260,954issued	22	22
Paid-in capital	143,327	143,339
Retained earnings	45,333	35,896
Accumulated other comprehensive income (loss)	366	(1,550)
Gain on hedge of available-for-sale securities, net	929	929
Treasury stock, at cost, 606,332 and 498,055 Class A common stock 1999 and 1998, respectively	(4,336)	(3,589)
Total stockholders' equity	188,314	177,720
Commitments and contingencies		
Total liabilities and stockholders' equity	$ 312,188	$ 279,679

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income (Loss)
For the Three and Six Months Ended May 31, 1999 and 1998
(In thousands, except share and per share data)
(unaudited)

	Three Months Ended May 31, 1999	Three Months Ended May 31, 1998	Six Months Ended May 31, 1999	Six Months Ended May 31, 1998
Net sales	$ 242,069	$ 132,411	$ 452,335	$ 253,384
Cost of sales (including an inventory write-down to market in 1998 of $6,600)	213,348	118,367	397,394	217,082
Gross profit	28,721	14,044	54,941	36,302
Operating expenses:				
Selling	9,557	9,366	18,242	17,656
General and administrative	10,437	9,393	19,598	17,815
Warehousing, assembly and repair	3,507	3,242	6,679	6,253
Total operating expenses	23,501	22,001	44,519	41,724
Operating income (loss)	5,220	(7,957)	10,422	(5,422)
Other income (expense):				
Gain on issuance of subsidiary shares	3,800	--	3,800	--
Interest and bank charges	(863)	(1,149)	(1,970)	(1,995)
Equity in income of equity investments, management fees and related income, net	673	483	1,301	897
Gain on sale of investment	1,657	--	1,896	--
Other, net	193	(97)	318	35
Total other income (expense)	5,460	(763)	5,345	(1,063)
Income (loss) before provision for (recovery of) income taxes	10,680	(8,720)	15,767	(6,485)
Provision for (recovery of) income taxes	4,226	(4,025)	6,331	(3,429)
Net income (loss)	$ 6,454	$ (4,695)	$ 9,436	$ (3,056)
Net income (loss) per common share (basic)	$ 0.34	$ (0.24)	$ 0.50	$ (0.16)
Net income (loss) per common share (diluted)	$ 0.34	$ (0.24)	$ 0.49	$ (0.16)
Weighted average number of common shares outstanding (basic)	19,023,964	19,174,487	19,022,718	19,183,459
Weighted average number of common shares outstanding (diluted)	19,302,033	19,174,487	19,289,988	19,183,459

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Six Months Ended May 31, 1999 and 1998
(In thousands)
(unaudited)

	1999	1998
Cash flows from operating activities:		
Net income (loss)	$ 9,436	$ (3,056)
Adjustment to reconcile net income (loss) to net cash provided by operating activities:		
Gain on issuance of subsidiary shares	(3,800)	--
Depreciation and amortization	1,450	1,135
Provision for bad debt expense	637	253
Equity in income of equity investments, management fees and related income, net	(1,301)	(897)
Minority interest	(367)	142
Gain on sale of investment securities	(1,896)	--
Provision for (recovery of) deferred income taxes, net	1,753	(3,272)
Provision for unearned compensation	--	96
Loss on disposal of property, plant and equipment, net	4	17
Change in:		
Accounts receivable	(14,835)	22,450
Inventory	(2,287)	(12,709)
Accounts payable, accrued expenses and other current liabilities	13,887	4,390
Receivable from vendor	(7,035)	(1,327)
Income taxes payable	2,433	(6,072)
Prepaid expenses and other, net	2,124	1,016
Net cash provided by operating activities	203	2,166
Cash flows from investing activities:		
Proceeds from issuance of subsidiary shares	5,000	--
Net proceeds from sale of equity collar	--	1,499
Proceeds from sale of investment securities	6,439	--
Purchases of property, plant and equipment, net	(2,782)	(2,236)
Purchase of convertible debentures	(8,280)	(3,132)
Proceeds from distribution from equity investment	782	561
Net cash provided by (used in) investing activities	1,159	(3,308)
Cash flows from financing activities:		
Net borrowings (repayments) under line of credit agreements	3,047	(925)
Net borrowings (repayments) under documentary acceptances	(944)	338
Principal payments on capital lease obligation	(32)	--
Repurchase of Class A common stock	(747)	(369)
Net cash provided by (used in) financing activities	1,324	(956)
Effect of exchange rate changes on cash	(25)	(100)
Net increase (decrease) in cash and cash equivalents	2,661	(2,198)
Cash and cash equivalents at beginning of period	9,398	9,445
Cash and cash equivalents at end of period	$ 12,059	$ 7,247

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Three and Six Months Ended May 31, 1999 and 1998

(Dollars in thousands, except share and per share data)

(1) Basis of Presentation

The accompanying consolidated financial statements were prepared in accordance with generally accepted accounting principles and include all adjustments (which include only normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of Audiovox Corporation and subsidiaries (the Company) as of May 31, 1999 and November 30, 1998, the consolidated statements of income (loss) for the three and six month periods ended May 31, 1999 and May 31, 1998, and the consolidated statements of cash flows for the six months ended May 31, 1999 and May 31, 1998. The interim figures are not necessarily indicative of the results for the year.

Accounting policies adopted by the Company are identified in Note 1 of the Notes to Consolidated Financial Statements included in the Company's 1998 Annual Report filed on Form 10-K.

(2) Supplemental Cash Flow Information

The following is supplemental information relating to the consolidated statements of cash flows:

	Six Months Ended May 31, 1999	Six Months Ended May 31, 1998
Cash paid during the period:		
Interest (excluding bank charges)	$1,423	$1,827
Income taxes	$2,655	$4,637

During the six months ended May 31, 1999 and 1998, the Company recorded a net unrealized holding gain relating to available-for-sale marketable securities, net of deferred taxes, of $1,695 and $1,724, respectively, as a component of accumulated other comprehensive income.

During the first quarter of 1998, the Company sold its equity collar for $1,499. The transaction resulted in a net gain on hedge of available-for-sale securities of $929 which is reflected as a component of accumulated other comprehensive income..

(3) Investment Securities

During the three and six months ended May 31, 1999, the Company exercised its option to convert 1,156,320 and 1,380,720 Japanese yen, respectively, of Shintom debentures into shares of Shintom common stock. During the three and six months ended May 31, 1999, the Company sold the Shintom common stock yielding net proceeds of $1,777 and $9,697, respectively, and a gain of $239 and $1,657, respectively.

(4) Net Income (Loss) Per Common Share

A reconciliation between the numerators and denominators of the basic and diluted income (loss) per common share is as follows:

	Three Months Ended May 31,		Six Months Ended May 31,	
	1999	1998	1999	1998
Net income (loss) (numerator for basic income (loss) per share)	$ 6,454	$ (4,695)	$ 9,436	$ (3,056)
Interest on 6 1/4% convertible subordinated debentures, net of tax	21	--	42	--
Adjusted net income (loss) (numerator for diluted income (loss) per share)	$ 6,475	$ (4,695)	$ 9,478	$ (3,056)
Weighted average common shares (denominator for basic income (loss) per share)	19,023,964	19,174,487	19,022,718	19,183,459
Effect of dilutive securities:				
6 1/4% convertible subordinated debentures	128,192	--	128,192	--
Employee stock options and stock warrants	69,077	--	58,278	--
Employee stock grants	80,800	--	80,800	--
Weighted average common and potential common shares outstanding (denominator for diluted income (loss) per share)	19,302,033	19,174,487	19,289,988	19,183,459
Basic income (loss) per share	$ 0.34	$ (0.24)	$ 0.50	$ (0.16)
Diluted income (loss) per share	$ 0.34	$ (0.24)	$ 0.49	$ (0.16)

Employee stock options and stock warrants totaling 1,595,300 and 3,723,675 for the quarters ended May 31, 1999 and 1998, respectively, were not included in the net earnings per share calculation because their effect would have been anti-dilutive. The 6 1/4% convertible subordinated debentures totaling $128,192 were also not included in the net earnings per share calculation for the quarter ended May 31, 1998 because their effect would have been anti-dilutive.

(5) Comprehensive Income (Loss)

Effective December 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (Statement 130). Statement 130 requires that all items recognized under accounting standards as components of comprehensive income be reported in an annual financial statement that is displayed with the same prominence as other annual financial statements. For example, other comprehensive income may include foreign currency translation adjustments, minimum pension liability adjustments and unrealized gains and losses on marketable securities classified as available- for-sale. The accumulated other comprehensive income (loss) of $366 and $1,550 at May 31, 1999 and November 30, 1998, respectively, on the accompanying consolidated balance sheets is the accumulated unrealized gain (loss) on the Company's available-for-sale investment securities and the accumulated foreign currency translation adjustment. Annual financial statements for prior periods will be reclassified as required.

The Company's total comprehensive income was as follows:

	Three Months Ended May 31,		Six Months Ended May 31,	
	1999	1998	1999	1998
Net income (loss)	$ 6,454	$ (4,695)	$ 9,436	$ (3,056)
Other comprehensive income (loss):				
Foreign currency translation adjustments	172	(170)	221	(703)
Unrealized gains on securities:				
Unrealized holding gains (losses) arising during period, net of tax	(2,303)	(1,728)	2,871	1,724
Less: reclassification adjustment for gains realized in net income	(1,027)	--	(1,176)	--
Net unrealized gains (losses)	(3,330)	(1,728)	1,695	1,724
Other comprehensive income (loss), net of tax	(3,158)	(1,898)	1,916	1,021
Total comprehensive income (loss)	$ 3,296	$ (6,593)	$ 11,352	$ (2,035)

The unrealized holding gains (losses) arising during the period presented above are net of tax of $1,411, $1,059, $1,759 and $1,057 for the three and six months ended May 31, 1999 and 1998, respectively. The reclassification adjustment presented above is net of tax of $630 and $720 for the three and six months ended May 31, 1999, respectively.

(6) Issuance of Subsidiary Shares

On March 31, 1999, Toshiba Corporation, a major supplier, purchased 5% of the Company's subsidiary, Audiovox Communications Corp. (ACC), a supplier of wireless products for

$5,000 in cash. The Company currently owns 95% of ACC; prior to the transaction ACC was a wholly-owned subsidiary. As a result of the issuance of ACC's shares, the Company recognized a gain of $3,800 ($2,470 after provision for deferred taxes). The gain on the issuance of the subsidiary's shares have been recognized in the statement of income (loss) in accordance with the Company's policy on the recognition of such transactions.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company markets its products under its own brand as well as private labels to a large and diverse distribution network both domestically and internationally. The Company's products are distributed by two separate marketing groups: Communications and Electronics. The Communications group consists of Audiovox Communications Corp. (ACC), a majority-owned subsidiary of the Company, and the Quintex retail operations (Quintex), a wholly-owned subsidiary of the Company. The Communications group markets cellular telephone products and receives activation commissions and residual fees from its retail sales. ACC markets products on a wholesale basis to a variety of customers, primarily cellular and wireless service providers and their respective agents. The activation commission is based upon various service plans and promotional marketing programs offered by the particular cellular telephone carrier. The monthly residual fees are based upon a percentage of customers' usage. The Electronics group consists of Audiovox Automotive and Consumer Electronics (AE), a division of the Company, Audiovox Communications (Malaysia) Sdn. Bhd., Audiovox Holdings (M) Sdn. Bhd. and Audiovox Venezuela C.A., which are majority-owned subsidiaries. Products in the Electronics group include sound and security equipment, car accessories, home and portable sound products and mobile video. The Company allocates interest and certain shared expenses to the marketing groups based upon estimated usage. General expenses and other income items which are not readily allocable are not included in the results of the various marketing groups.

This Quarterly Report on Form 10-Q contains forward-looking statements relating to such matters as anticipated financial performance and business prospects. When used in this Quarterly Report, the words "anticipates," "expects," "may," "intend" and similar expressions are intended to be among the statements that identify forward-looking statements. From time to time, the Company may also publish forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors, including, but not limited to, foreign currency risks, political instability, changes in foreign laws, regulations and tariffs, new technologies, competition, customer and vendor relationships, seasonality, inventory obsolescence and inventory availability, could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements.

The following table sets forth for the periods indicated certain statements of income data for the Company expressed as a percentage of net sales:

	Percentage of Net Sales			
	Three Months Ended May 31,		Six Months Ended May 31,	
	1999	1998	1999	1998
Net sales:				
Product sales:				
Cellular wholesale	72.8%	58.5%	72.4%	57.0%
Cellular retail	0.9	0.9	1.0	0.8
Sound	6.9	15.7	7.1	15.5
Security and accessories	11.8	16.5	11.8	17.6
	92.4	91.5	92.3	90.9
Activation commissions	2.4	4.2	2.9	4.7
Residual fees	0.5	0.7	0.5	0.8
Other	4.7	3.5	4.2	3.6
Total net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	88.1	89.4	87.9	85.7
Gross profit	11.9	10.6	12.1	14.3
Selling	3.9	7.1	4.0	7.0
General and administrative expense	4.3	7.1	4.3	7.0
Warehousing, assembly and repair	1.5	2.4	1.5	2.5
Total operating expenses	9.7	16.6	9.8	16.5
Operating income (loss)	2.2	(6.0)	2.3	(2.1)
Gain on issuance of subsidiary shares	1.6	--	0.8	--
Interest and bank charges	(0.4)	(0.9)	(0.4)	(0.8)
Equity in income of equity investments, management fees and related income, net	0.3	0.4	0.3	0.3
Gain on sale of investment	0.7	--	0.4	--
Other income (loss)	--	(0.1)	--	--
Income (loss) before provision for (recovery of) income taxes	4.4	(6.6)	3.5	(2.6)
Provision for (recovery of) income taxes	1.7	(3.0)	1.4	(1.4)
Net income (loss)	2.7%	(3.5)%	2.1%	(1.2)%

RESULTS OF OPERATIONS
Consolidated Results
Three months ended May 31, 1999 compared to three months ended May 31, 1998

The net sales and percentage of net sales by product line and marketing group for the three months ended May 31, 1999 and May 31, 1998 are reflected in the following table:

	Three Months Ended May 31,			
	1999		1998	
Net sales:				
Communications				
Cellular wholesale	$176,322	72.8%	$ 77,412	58.5%
Cellular retail	2,109	0.9	1,139	0.9
Activation commissions	5,973	2.4	5,614	4.2
Residual fees	1,115	0.5	917	0.7
Other	3,580	1.5	2,946	2.2
Total Communications	189,099	78.1	88,028	66.5
Electronics				
Sound	16,748	6.9	20,788	15.7
Security and accessories	28,481	11.8	21,875	16.5
Consumer electronics	7,741	3.2	1,720	1.3
Total Automotive	52,970	21.9	44,383	33.5
Total	$242,069	100.0%	$132,411	100.0%

Net sales were $242,069 for 1999, an increase of $109,658, or 82.8%, from 1998. The increase in net sales was in both the Communications and Electronics Groups. Sales from our international operations decreased from last year by approximately 21.0%. Sales in Malaysia increased $2,179, over 100%, and sales in Venezuela were down $3,374, or 64.3%. Gross margins were 11.9% in 1999 compared to 10.6% in 1998. This improvement in margins was a result of the Company's recording of a charge of $6,600 to adjust the carrying value of certain inventories to market during the second quarter of 1998. Operating expenses increased to $23,501 from $22,001, a 6.8% increase. However, as a percentage of sales, operating expenses decreased to 9.7% in 1999 from 16.6% in 1998. Operating income for 1999 was $5,220 compared to last year's operating loss of $7,957.

Six months ended May 31, 1999 compared to six months ended May 31, 1998

The net sales and percentage of net sales by product line and marketing group for the six months ended May 31, 1999 and May 31, 1998 are reflected in the following table:

	Six Months Ended May 31, 1999		1998	
Net sales:				
Communications				
Cellular wholesale	$327,604	72.4%	$144,522	57.0%
Cellular retail	4,371	1.0	1,991	0.8
Activation commissions	13,336	2.9	11,961	4.7
Residual fees	2,199	0.5	1,915	0.8
Other	7,006	1.6	5,705	2.3
Total Communications	354,516	78.4	166,094	65.6
Electronics				
Sound	32,147	7.1	39,216	15.5
Security and accessories	53,535	11.8	44,552	17.6
Consumer electronics	12,137	2.7	3,522	1.4
Total Automotive	97,819	21.6	87,290	34.4
Total	$452,335	100.0%	$253,384	100.0%

Net sales were $452,335 for 1999, an increase of $198,951 or 78.5%, from 1998. The increase in net sales was in both the Communications and Electronics Groups. Sales from our international operations decreased from last year by approximately 34.5%. Sales in Malaysia increased $2,512, or 53.2%, and sales in Venezuela were down $5,689, or 60.3%. Gross margins were 12.1% in 1999 compared to 14.3% in 1998. Gross margins in 1998 reflect the previously mentioned inventory adjustment. Operating expenses increased to $44,519 from $41,724, a 6.7% increase. However, as a percentage of sales, operating expenses decreased to 9.8% in 1999 from 16.5% in 1998. Operating income for 1999 was $10,422 compared to last year's operating loss of $5,422.

Communications Results
Three months ended May 31, 1999 compared to three months ended May 31, 1998

The following table sets forth for the periods indicated certain statements of income (loss) data for the Communications group expressed as a percentage of net sales:

Communications

	Three Months Ended May 31,			
	1999		1998	
Net sales:				
Cellular product - wholesale	$ 176,322	93.2%	$ 77,412	87.9%
Cellular product - retail	2,109	1.1	1,139	1.3
Activation commissions	5,973	3.2	5,614	6.4
Residual fees	1,115	0.6	917	1.0
Other	3,580	1.9	2,946	3.3
Total net sales	189,099	100.0	88,028	100.0
Gross profit	18,320	9.7	4,301	4.9
Total operating expenses	12,423	6.6	12,911	14.7
Operating income (loss)	5,897	3.0	(8,610)	(9.8)
Other expense	(1,361)	(0.7)	(1,770)	(2.0)
Pre-tax income (loss)	$ 4,536	2.4%	$ (10,380)	(11.8)%

The Communications group is composed of ACC, a majority-owned subsidiary, and Quintex, a wholly-owned subsidiary, of Audiovox Corporation. Since principally all of the net sales of Quintex are cellular in nature, all operating results of Quintex are being included in the discussion of the Communications group's product line.

During the second quarter of 1999, sales increased $101,071, or 114.8%, to $189,099. Unit sales of cellular telephones increased approximately 90.3% (or 583,000 units) during the second quarter of 1999. This increase is attributable to sales of portable digital product. The digital phones have a higher average unit selling price as well as a higher unit cost to the Company. Average unit selling prices increased approximately 26.1% to $140 from $111. Gross profit increased to 9.7% from last year's 4.9%. The increase in gross profit margins is due to a charge recorded during the second quarter of 1998 of $6,600 reducing the carrying value of certain cellular inventory to market. After adjusting for this charge, gross profit margins would have reflected a decrease. However, gross profit dollars on the increased sales volume is higher. The number of new cellular subscriptions processed by Quintex increased 20.4%, with an accompanying increase in activation commissions of approximately $359, or 6.4%. The average commission received by Quintex per activation decreased approximately 11.6% from last year. During the quarter, the Company became a direct agent for MCI, who is also a reseller of cellular service for cellular carriers. This new agency agreement, which is non-exclusive, allows the Company to expand additional cellular and wireless services within the territory outlined in the agreement. This new agency agreement replaces the current agreement with Bell Atlantic. Management does not anticipate any material impact from this change. Operating expenses decreased to $12,423 from $12,911. As a percentage of net sales, however, operating expenses decreased to 6.6% during 1999 compared to 14.7% in 1998. Selling expenses decreased $340 from last year, primarily in salaries, advertising and divisional marketing, partially offset by increases in commissions and travel expenses. General and administrative expenses decreased during

1999 by $204 from 1998, primarily in salaries, travel, depreciation and amortization. Warehousing and assembly expenses increased by $56 during 1999 from last year, primarily due to an increase in direct labor, partially offset by decreases in tooling and field warehouse expenses. Operating income for 1999 was $5,897 compared to last year's operating loss of $8,610. Six months ended May 31, 1999 compared to six months ended May 31, 1998

The following table sets forth for the periods indicated certain statements of income (loss) data for the Communications group expressed as a percentage of net sales:

Communications

	Six Months Ended May 31, 1999		1998	
Net sales:				
Cellular product - wholesale	$ 327,604	92.4%	$ 144,522	87.0%
Cellular product - retail	4,371	1.2	1,991	1.2
Activation commissions	13,336	3.8	11,961	7.2
Residual fees	2,199	0.6	1,915	1.2
Other	7,006	2.0	5,705	3.4
Total net sales	354,516	100.0	166,094	100.0
Gross profit	35,194	9.9	17,500	10.5
Total operating expenses	24,318	6.9	24,350	14.7
Operating income (loss)	10,876	3.1	(6,850)	(4.1)
Other expense	(2,911)	(0.8)	(3,071)	(1.8)
Pre-tax income (loss)	$ 7,965	2.2%	$ (9,921)	(6.0)%

Through the second quarter of 1999, sales increased $188,422, or 113.4%, to $354,516. Unit sales of cellular telephones increased approximately 81.7% (or 1,039,223 units) through the second quarter of 1999. This increase is attributable to sales of portable digital product. The addition of new suppliers has also provided a variety of new digital, wireless products which have contributed to the sales increase. As a result of increased digital sales, average unit selling prices increased approximately 28.4% to $137 from $107. Gross profit margins decreased to 9.9% from 10.5% during the six months ended May 31, 1999 compared to the same period last year. After adjusting for a charge recorded during the second quarter of 1998 of $6,600, reducing the carrying value of certain cellular inventory to market, gross profit margins would have reflected a decrease. Gross profit margins were affected by higher air freight costs in response to increased customer demand, a shift in the activation mix toward indirect channels and an increase in the number of orders committed in advance which lowers margins, and minimizes inventory risk. The number of new cellular subscriptions processed by Quintex increased 21.2%, with an accompanying increase in activation commissions of approximately $1,375, or 11.5%. The average commission received by Quintex per activation decreased approximately 8.0% from last year. The Communications Group operates in a very competitive market and may experience lower gross profit and inventory adjustments due to market competition. Operating expenses decreased to $24,318 from $24,350. As a percentage of net sales operating expenses decreased to 6.9% during 1999 compared to 14.7% in 1998. Selling expenses increased $54 from last year, primarily in commissions and divisional marketing, partially offset by decreases in salaries, advertising and trade shows. General and administrative expenses increased during 1999 by $54 from 1998, primarily in occupancy costs, insurance and temporary personnel, partially offset by decreases in salaries. Warehousing and assembly expenses decreased by $140 during 1999 from last year, primarily in tooling and field warehousing expenses. Operating income for 1999 was $10,876 compared to last year's operating loss of $6,850

Electronics Results
Three months ended May 31, 1999 compared to three months ended May 31, 1998

The following table sets forth for the periods indicated certain statement of income data for the Electronics group expressed as a percentage of net sales:

Electronics

	Three Months Ended May 31, 1999		Three Months Ended May 31, 1998	
Net sales:				
Sound	$ 16,748	31.6%	$ 20,788	46.8%
Security and accessories	28,481	53.8	21,875	49.3
Consumer electronics	7,741	14.6	1,720	3.9
Total net sales	52,970	100.0	44,383	100.0
Gross profit	10,402	19.6	9,769	22.0
Total operating expenses	7,649	14.4	6,873	15.5
Operating income	2,753	5.2	2,896	6.5
Other expense	(104)	(0.2)	(944)	(2.1)
Pre-tax income	$ 2,649	5.0%	$ 1,952	4.4%

Net sales increased approximately $8,587 compared to last year, an increase of 19.3%. Automotive security and accessories sales increased 30.2% compared to last year, primarily due to a $10.0 million increase in mobile video sales. Consumer electronics sales also more than tripled from last year to $7,741. These increases were partially offset by a decrease of 19.4% in auto sound. Net sales in our Malaysian subsidiary increased 139.1% from last year, but were offset by a 64.3% decline in sales in our Venezuelan subsidiary. Gross margins decreased to 19.6% in 1999 from 22.0% in 1998, primarily in our international operations. Operating expenses increased $776 from last year. Selling expenses increased from last year by $537, primarily in commissions and divisional marketing, partially offset by a decrease in advertising. General and administrative expenses increased from 1998 by $60, primarily in office salaries and temporary personnel, partially offset by decreases in international operations. Warehousing and assembly expenses increased from 1998 by $179, primarily in field warehousing and direct labor, partially offset by a decline in tooling. Operating income was $2,753 compared to last year's $2,896.

Six months ended May 31, 1999 compared to six months ended May 31, 1998

The following table sets forth for the periods indicated certain statement of income data for the Electronics group expressed as a percentage of net sales:

Electronics

	Six Months Ended May 31, 1999		1998	
Net sales:				
Sound	$ 32,147	32.9%	$ 39,216	44.9%
Security and accessories	53,535	54.7	44,552	51.0
Consumer electronics	12,137	12.4	3,522	4.0
Total net sales	97,819	100.0	87,290	100.0
Gross profit	19,607	20.0	18,868	21.6
Total operating expenses	14,382	14.7	13,629	15.6
Operating income	5,225	5.3	5,239	6.0
Other expense	(754)	(0.7)	(1,908)	(2.2)
Pre-tax income	$ 4,471	4.6%	$ 3,331	3.8%

Net sales increased approximately $10,529 compared to last year, an increase of 12.1%. Automotive security and accessories sales increased 20.2% compared to last year, primarily due to a $17.1 million increase in mobile video sales. Consumer electronics sales also more than tripled from last year to $12,137. These increases were partially offset by a decrease of 18.0% in auto sound. Net sales in our Malaysian subsidiary increased 53.2% from last year, but were offset by a 60.3% decline in sales in our Venezuelan subsidiary. Gross margins decreased to 20.0% in 1999 from 21.6% in 1998, primarily in our international operations. Operating expenses increased $753 over last year. Selling expenses increased from last year by $566, primarily in commissions and divisional marketing, partially offset by a decrease in advertising. General and administrative expenses decreased from 1998 by $330, primarily in bad debt and international operations, partially offset by increases in professional fees and temporary personnel. Warehousing and assembly expenses increased from 1998 by $517, primarily in field warehousing and direct labor. Operating income for 1999 was $5,225 compared to $5,239 last year.

Other Income and Expense

Interest expense and bank charges decreased by $286 and $25 for the three and six months ended May 31, 1999, respectively, compared to the same periods last year. Equity in income of equity investments increased $190 and $404 for the three and six months ended May 31, 1999, respectively, compared to the same periods last year. The Company is in the process of liquidating its 50% investment in Audiovox Pacific Pty. Ltd. This business will be liquidated by the end of this fiscal year. The Company does not anticipate any charges to operations as a result of this liquidation during this fiscal year. During the second quarter of 1999, the Company exercised its option to convert approximately 1,156,320 Japanese yen of Shintom debentures into shares of Shintom common stock. The Company then sold the Shintom common stock yielding net proceeds of $10,417 and a gain of $1,657. The remaining debentures of 1,000,000 Japanese yen are included in the Company's available-for-sale investment securities at May 31, 1999. During the second quarter of 1999, the Company's subsidiary, ACC, sold a 5% interest to Toshiba Corporation for $5,000. This transaction resulted in a $3,800 increase in the carrying value of the remaining 95% interest in ACC for the Company, which is reflected as a gain ($2,470 net of tax) on the accompanying consolidated statement of income (loss).

Provision for Income Taxes

Provision for income taxes and income tax recovery are provided for at a blended federal and state rate of 40% for profits or losses from normal business operations. During 1998, the Company implemented various tax strategies which have resulted in lowering the effective tax rate.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at May 31, 1999 increased $2,660 from the November 30, 1998 level. Operating activities provided $203, primarily from increases in accounts payable and accrued expenses, income taxes payable and a decrease in prepaid expenses, partially offset by an increase in accounts receivable and receivable from vendor. Investing activities provided $1,159, primarily from the sale of investment securities and proceeds from the issuance of subsidiary shares, partially offset by the purchase of property, plant and equipment and the purchase of convertible debentures. Financing activities provided $1,324, primarily from borrowings under line of credit agreements.

On December 23, 1998, the Company entered into the Third Amended and Restated Credit Agreement (the Revised Credit Agreement) with its financial institutions which superseded the Second Amended and Restated Credit Agreement in its entirety. The major changes in the Revised Credit Agreement include an increase in the maximum aggregate amount of borrowings to $112,500 and allow for a sub-limit for foreign currency borrowing of $15,000. The Revised Credit Agreement contains covenants requiring, among other things, minimum levels of pre-tax income and minimum levels of net worth as follows: Pre-tax income of not less than $1,500 for the two consecutive fiscal quarters ending May 31, 1999, 2000 and 2001 and; not less than $2,500 for two consecutive fiscal quarters ending November 30, 1999, 2000 and 2001; and not less than $4,000 for any fiscal year ending on or after November 30, 1999. Further, the Company may not incur a pre-tax loss in excess of $1,000 for any fiscal quarter and may not incur a pre-tax loss for two consecutive fiscal quarters. In addition, the Company must maintain a net worth base amount of $172,500 at any time prior to February 28, 1999; $175,000 at any time on or after February 28, 1999, but prior to February 28, 2000; $177,500 at any time on or after February 2000 but prior to February 28, 2001; and $180,000 at any time thereafter. Further, the Company must at all times maintain a debt to worth ratio of not more than 1.75 to 1. The Revised Credit Agreement includes restrictions and limitations on payments of dividends, stock repurchases and capital expenditures. The Revised Credit Agreement expires on December 31, 2001.

On March 10, 1999, the December 23, 1998 Credit Agreement was amended (First Amendment) to allow for the Company to finance up to $15 million of inventory of a particular supplier through Deutsche Financial Services (DFS). This facility with DFS is separate from the Credit Agreement and provides the Company with additional borrowing capacity. The DFS facility is secured by a first lien on the inventory of the supplier.

The Company believes that it has sufficient liquidity to satisfy its anticipated working capital and capital expenditure needs through November 30, 1999 and for the reasonable foreseeable future.

Year 2000 Date Conversion

Many of the Company's computerized systems could be affected by the Year 2000 issue, which refers to the inability of such systems to properly process dates beyond December 31, 1999. The Company also has numerous computerized interfaces with third parties and is possibly vulnerable to failure by such third parties if they do not adequately address their Year 2000 issues. System failures resulting from these issues could cause significant disruption to the Company's operations and result in a material adverse effect on the Company's business, results of operations, financial condition or liquidity.

Management believes that a significant portion of its "mission critical" computer systems are Year 2000 compliant and is continuing to assess the balance of its computer systems as well as equipment and other facilities systems. Management is in the process of completing its investigation, remediation and contingency planning activities for all critical systems, although there can be no assurance that it will. At this time, management believes that the Company does not have any internal critical Year 2000 issues that it cannot remedy.

Management is in the process of surveying third parties with whom it has a material relationship primarily through written correspondence. Despite its efforts to survey its customers, management is depending on the response of these third parties in its assessment of Year 2000 readiness. Management cannot be certain as to the actual Year 2000 readiness of these third parties or the impact that any non-compliance on their part may have on the Company's business, results of operations, financial condition or liquidity.

The Company expects to incur internal staff costs as well as consulting and other expenses in preparing for the Year 2000. Because the Company has replaced or updated a significant portion of its computer systems, both hardware and software, in recent years, the cost to be incurred in addressing the Year 2000 issue is not expected to have a material impact on the Company's business, results of operations, financial condition or liquidity. This expectation assumes that our existing forecast of costs to be incurred contemplates all significant actions required and that we will not be obligated to incur significant Year 2000 related costs on behalf of our customers, suppliers and other third parties.

Recent Accounting Pronouncements

In June 1997, the FASB issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information", effective for fiscal years beginning after December 15, 1997. This Statement establishes standards for reporting information about operating segments in annual financial statements and requires selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas and major customers. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. This Statement requires reporting segment profit or loss, certain specific revenue and expense items and segment assets. It also requires reconciliations of total segment revenues, total segment profit or loss, total segment assets, and other amounts disclosed for segments to corresponding amounts reported in the consolidated financial statements. Restatement of comparative information for earlier periods presented is required in the initial year of application. Interim information is not required until the second year of application, at which time comparative information is required. The Company has not determined the impact that the adoption of this new accounting standard will have on its consolidated financial statement disclosures. The Company will adopt this accounting standard in the November 30, 1999 financial statements, as required.

The FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (Statement 133). Statement 133 established accounting and reporting standards for derivative instruments embedded in other contracts, and for hedging activities. Statement 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. Early application of all the provisions of this Statement is encouraged but is permitted only as of the beginning of any fiscal quarter that begins after issuance of this Statement. Management of the Company has not yet determined the impact that the implementation of Statement 133 will have on its financial position and results of operations.

PART II - OTHER INFORMATION

Item 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Stockholders of Audiovox Corporation ("the Company") was held on May 6, 1999 at the Smithtown Sheraton, Seminar Room, 110 Vanderbilt Motor Parkway, Smithtown, New York.

Proxies for the meeting were solicited pursuant to Regulation 14 of the Act on behalf of the Board of Directors to elect a Board of eight Directors.

There was no solicitation in opposition to the Board of Directors' nominees for election as directors as listed in the Proxy Statement and all of such nominees were elected. Class A nominee Paul C. Kreuch, Jr. received 15,877,238 votes and 215,541 votes were withheld. Class A nominee Dennis F. McManus received 15,875,538 votes and 215,241 votes were withheld.

Each Class B nominee received 22,609,540 votes. No votes were withheld from Class B nominees.

Item 6 REPORTS ON FORM 8-K

No reports were filed on Form 8-K during the second quarter ended May 31, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AUDIOVOX CORPORATION

By:s/John J. Shalam
John J. Shalam
President and Chief
Executive Officer

Dated: July 15, 1999

By:s/Charles M. Stoehr
Charles M. Stoehr
Senior Vice President and
Chief Financial Officer

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Audiovox Corporation
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6-Mos
Nov-30-1999
May-31-1999
12,059
0
148,288
3,065
74,621
251,652
34,211
14,910
312,188
81,805
6,409
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2,500
195
185,619
312,188
436,800
452,335
387,120
397,394
0
637
1,970
15,767
6,331
9,436
0
0
0
9,436
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0.49